

**COMPANY NUMBER : 02276987**

**LEICESTER ARTS CENTRE LIMITED  
TRADING AS PHOENIX**

**REPORT OF THE DIRECTORS  
AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

**LEICESTER ARTS CENTRE LIMITED  
TRADING AS PHOENIX**

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FOR THE YEAR ENDED 31 MARCH 2024**

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**LEICESTER ARTS CENTRE LIMITED  
TRADING AS PHOENIX**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2024**

**DIRECTORS AT YEAR END AND THROUGHOUT THE YEAR:**

A Sinclair (Chair)  
B A Carpenter Van Barthold  
S M Overton-Edwards  
C Sharpe  
W G Haley (Resigned 11 November 2023)  
A Mamujee (Resigned 8 November 2023)  
L M Jones  
Prof S M Sharma  
C J Kersey  
S Bazzaz  
J L Smith  
M Underwood (Resigned 8 November 2023)  
J M Cowley  
Prof J Smith  
A M D Clarke (Appointed 13 July 2023)  
D Kavi (Appointed 6 January 2024)  
K Mamujee (Appointed 6 January 2024)

**CHIEF EXECUTIVE :** J Rance

**SECRETARY :** R Botterill (Resigned 4 December 2023)

**REGISTERED OFFICE :** Phoenix Square  
4 Midland Street  
Leicester  
LE1 1TG

**COMPANY NUMBER :** 02276987 (England and Wales)

**CHARITY NUMBER :** 701078

**AUDITORS :** Evolve Accountants and Business Advisors Ltd  
Unit 10 Phoenix Park, Telford Way  
Coalville  
Leicestershire  
LE67 3HB

**BANKERS :** Bank of Scotland

**LEICESTER ARTS CENTRE LIMITED**  
**TRADING AS PHOENIX**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report together with the audited financial statements for the year ended 31 March 2024. Company information as set out on page 1 forms part of this report.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

Leicester Arts Centre Limited (LAC Ltd) is a registered charity (charity number 701078) and a company limited by guarantee (company number 2276987).

The company is governed by its Memorandum and Articles of Association which were last amended in August 2015.

Phoenix is the trading name of the charity and its trading subsidiary, Firebird Trading Ltd (company number 6942215).

**Recruitment and Appointment of the Directors**

Directors can be appointed by the Board or by the company's members at a general meeting. Leicester City Council is entitled to appoint a maximum of two directors and to remove any such directors. De Montfort University is entitled to appoint a maximum of two directors provided that such directors have first been approved by the City Council and to remove any such directors.

The Chair of the Board is appointed by the Board. The term of appointment for the Chair and directors is for a fixed period after which the Chair and/or directors can stand for re-election. The number of directors shall not be less than three and is not subject to any maximum.

**Director Induction and Training**

There is an induction programme for new directors, which is tailored to their particular needs. Training programmes for directors are available to assist them in consolidating their knowledge of their duties and responsibilities as directors.

**Risk Management**

The Trustees regularly review the major strategic, business and operational risks which the company faces and confirm that systems have been put in place to mitigate those risks.

**Organisational Structure**

The company is overseen by a Board of Directors that meet periodically in order to administer the charity. Decisions are made at Board meetings by a majority vote. A Chief Executive Officer (who is not a Board member) is appointed by the Board to manage the day-to-day operations of the charity.

The Directors have a maximum liability under guarantee to contribute £1 each towards the company's liabilities in the event of a winding up.



**LEICESTER ARTS CENTRE LIMITED  
TRADING AS PHOENIX  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2024**

**PRINCIPAL OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

Phoenix's vision is to enrich lives and celebrate diversity and ambition in film and art. The company's mission is to be a dynamic artistic and creative centre where everyone can enjoy, learn about and make inspirational film and art; enriching individual lives and stimulating economic growth in Leicester and beyond.

Phoenix provides a unique programme of world cinema, digital arts and education for a wide range of people mainly from the greater Leicester area. Open to all, Phoenix promotes education and a stimulating environment that enables people to develop the inspiration, skills and relationships they need to achieve. Our public benefit aims are to promote education and community development especially through world film and the digital arts.

The company's principal place of activity is Phoenix Square, 4 Midland Street, Leicester.

It is the company's policy that there should be no discrimination in respect of ethnic origin, race, physical appearance, gender, disability, sexuality, marital status, class, age, religious or political belief and that equal opportunity shall be given to all employees. The company's recruitment procedures ensure that all applicants are given full and fair consideration for suitable vacancies.

The company has referred to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning its future activities.

**ACHIEVEMENTS AND PERFORMANCES**

The achievements and financial statements of Phoenix in 2023/24 continued to be affected by the long-term impact of the pandemic, operational challenges following the opening in January 2023 of our expanded venue, the widely-discussed cost of living crisis, and the commencement in January 2024 of the council-run project to re-clad the original Phoenix Square building within which Phoenix is housed. These financial statements are therefore untypical of our normal operation, but represent the charity robustly facing a prolonged period of business challenges, most of which were out of our control.

We opened our new extension in January 2023, following a 16-month construction period which saw the venue double in size to create a high-quality arts venue boasting four cinema screens, a superb new digital art gallery, improved spaces for learning and creativity, a stunning expanded Café Bar, plus a new multi-purpose events space and roof terrace. With the support of our stakeholders and partners, we are proud to have delivered a superb expanded cultural and economic asset for the benefit of Leicester and its diverse communities.

Final fit out of our new events space and roof terrace continued until August 2023, when the roof terrace furniture and planting were completed. Throughout Q1 of 2023/24, we faced a series of operational and technical problems which resulted in service interruption on a number of occasions, and in particular adversely affected the performance of our Café Bar. Remedial work was undertaken by the construction contractors to resolve building-related issues, and the services of an experienced hospitality consultant were employed in order to address under-performance across our catering operations; this resulted in significant improvement in performance from late Q2 onwards.

UK cinema audiences have been slower than expected to recover from the pandemic, and in 2023 reached 80% of the 2019 total nationally. A major contributing factor is the rising cost of living, which continues to impact on non-essential spending across the adult population. Data from the ONS in March 2024 shows that 66% of adults in Great Britain are spending less on non-essentials as a direct consequence of the rising cost of living (ONS Public Opinions and Social Trends bulletin, March 2024), a marginal increase of 1% on the previous year.

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The expansion of the venue enabled planned growth in the cultural programme across four cinema screens and the new gallery spaces. Within a landscape of sector-wide reduction in audiences, flexible programming has enabled Phoenix to maximise ticket income by extending the run of popular films, bringing programme back quickly where there's audience demand, and responding to opportunities to add new films and events into the schedule as soon as they become available.

In 2023/24 total engagement was 110,000 – a 40% increase on 2022/23 engagement levels but still below pre-pandemic levels. The 2023/24 cinema audience grew to 77,383, up 69% on 2022/23, bucking the national trend by reaching 86% of the pre-pandemic 2019/20 figure (89,580).

The capital project saw the refurbishment of existing meeting rooms, in addition to the creation of new hireable spaces. Prior to the pandemic, yearly attendance at business and community events in hired spaces was around 11,100 (2019/20), with many regular bookings from large and small businesses alike. However, during construction Phoenix had limited hireable meeting rooms available, and since completion of the capital project it has been necessary to rebuild the hires business. 2023/24 saw 83% growth on the previous year, reaching 6,678 attendees – 60% of pre-pandemic levels – and included hosting the Independent Cinema Office's autumn screening days in November 2023, which brought industry representatives from across the UK to the venue.

A considerable investment was also made in the Phoenix website and digital infrastructure to engage our existing and reach new audiences. Refinements to website architecture were complemented by improvements to the user experience to embed accessible features, and create a smoother ticket purchase process to aid online sales. Preparatory work in readiness for implementation to GA4 (Google Analytics) was also undertaken – an important transition in terms of understanding our audience. Trends show greater online reach with younger audiences (under 35s).

Phoenix sustained its high consumer pre-pandemic satisfaction ratings following the opening of the extension in January 2023. Consumer and stakeholder feedback about the quality of the new building is exceptionally good. Consumer satisfaction levels remain very high – an endorsement of the cultural programming, customer services levels and environment. The charity cultivates high levels of consumer loyalty, which is evident in the continued growth in MyPhoenix membership sales (a total of 1,370 active memberships in 2023/24). This, combined with the new outreach activities, and flexible programming are an excellent platform for audience growth in the year ahead.

April 2023 saw the culmination of Phoenix's REAL Initiative project – a 12-month ERDF-funded business support programme for Leicestershire's digital creative businesses – in the form of the REAL Documentary Festival. Held at Phoenix, the three-day festival showcased the work of independent filmmakers and production companies, and brought together some of the UK's leading independent documentary filmmakers for a programme of 30 film premieres, panel discussions and Q&As. By May 2023, REAL Initiative had supported over 150 businesses and individuals, and demonstrated a significant impact on the local economy.

Supported by funding from British Film Institute, the appointment of a Community Outreach Office in October 2023, coupled with work by community curators, has led to a sea-change in Phoenix's engagement with Leicester's diverse communities and directly resulted in growth of new audiences.

Phoenix's Chief Executive Officer of the past 13 years announced his retirement and left the charity at the end of the 2023/24. An extensive search for a replacement CEO was initiated in November 2023, in consultation with stakeholders. Following this search, the Board decided to appoint two experienced senior managers as joint interim CEOs until further notice.

**LEICESTER ARTS CENTRE LIMITED**  
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Phoenix is grateful for the financial support from stakeholders Leicester City Council, Arts Council England, British Film Institute and De Montfort University. Awarded under the auspices of their new strategies and funding programmes announced in 2022/23, Phoenix's Arts Council NPO grant continues to March 2026, and BFI Audience Projects funding is secured until March 2025. Leicester City Council and De Montfort University funding was maintained in 2023/24 – vital in ensuring the continuation of Phoenix's work to deliver the charity's charitable aims and engage local communities in film, digital art and culture, learning, and creativity.

**FINANCIAL REVIEW**

Total Incoming Resources of the group amounted to £2,484,942 during the year (2022/23: £5,532,102) with Total Resources Expended in the year of £2,653,714 (2022/23: £1,731,580).

Incoming Resources include £291,649 of capital grant funding restricted to the building project, and £94,832 of ERDF revenue funding associated with the capital project in the REAL Initiative. £108,886 of Phoenix 2020 capital costs were recorded in the financial year.

The fixed assets of the group on 31 March 2024 amounted to £8,345,961 (31 March 2023: £8,410,919) reflecting the completion of the capital project and depreciation charged in the year. Restricted Funds stood at £7,821,206 at the year-end (31 March 2023: £7,637,042).

The General Funds of the group were £609,172 at the year-end (31 March 2023: £397,850) with cash balances of £359,922. The designated funds balance was £5,382 at 31 March 2024.

Box Office income increased from £326,217 (2022/23) to £614,690; almost matching the pre-pandemic level of £618,277 (2019/20).

Income from the trading subsidiary increased from £325,236 (2022/23) to £877,723 which is 108% of the pre- pandemic level £812,575 (2019/20). Gift aid from the trading subsidiary increased to £187,101 from £48,975 in 2022/23.

Despite this significant growth in trading income streams alongside efforts to control operating costs, the group made an operating deficit of £168,722 in the year. The trend, however, is positive.

Most of the deficit was incurred in the first two quarters with net income below pre-pandemic levels, due to several issues with the new building, an unreliable and weak film release schedule affected by the pandemic, and later the writers/actors strikes, issues with café/bar management and staffing, and overhead costs fluctuating as new contracts were established for the new venue. Additional expense was incurred with the appointment of a Catering Consultant, who helped transform this aspect of the business in the latter two quarters.

A rapid improvement and better trading performance was achieved in the latter two quarters, with the improved film release schedule, adapted programming, and the turnaround of the café/bar offer. Surpluses were made in the last half of the year and trading results grew above pre-pandemic levels for the first time. Membership sales increased significantly, which bodes well for 2024/25.

In the last quarter, discussions with several of Phoenix's principal public funders resulted in confirmed funding for 2024/25 against the general backdrop of public sector funding pressures.

The directors have considered the going concern position of the Company and the group and consider that the preparation of the financial statements on a going concern basis is appropriate.

**LEICESTER ARTS CENTRE LIMITED**  
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**FOR THE YEAR ENDED 31 MARCH 2024**

**Principal Funding Sources**

Leicester Arts Centre's main revenue grant funders in the period were Leicester City Council, Arts Council England, De Montfort University, British Film Institute.

Although the new extension opened in the previous financial year (January 2023), some fit-out work and capital grant claims continued into 2023/24. This means that some capital receipts and expenses associated with Phoenix 2020 are reported in 2023/24. The principal funder of capital grant in this period was Arts Council England and the final REAL Initiative revenue instalment from European Regional Development Fund.

**Reserves Policy**

The Finance Committee reviewed the Reserves Policy at a general meeting in December 2023. It was recommended and approved that the current Policy should be reviewed by the Board in November 2024.

The current Reserves policy is to retain a minimum of £400,000 free reserves, this being the unrestricted funds not designated for a specific purpose, to cover contingencies and annual variations in operating income. In addition, the Trustees aim to retain a cash balance of £400,000 to cover variations in operating income.

The level of free reserves of the group on 31 March 2024 was £609,172, which meets the reserves policy requirement. Cash balances held at 31 March 2024 were £359,922, slightly below the target.

**Investment Policy**

The directors of the Company have the powers to invest the Company's funds in any way they feel appropriate in accordance with its charitable objectives.

**PLANS FOR FUTURE PERIODS**

Having completed the expansion project, we aim to capitalise on the opportunity this provides to significantly increase participation in film, digital art and education activities through growth of our cultural programme, with a view to doubling audiences by 2028/29. Financial resilience will be improved through increased ticket revenue, earned income from our extended Café Bar and The Nest roof terrace bar, and venue hires.

The current environment differs greatly to that conceived in the original business plan for the capital development. High levels of inflation, cost-of-living impact on consumer spending which has suppressed post-pandemic audience recovery, and pressures on public funders which threaten our grants, all mean that Phoenix is facing an increasingly challenging financial position over the next few years. Add to this Leicester City Council's 18-month project to re-clad Phoenix Square in response to national fire safety concerns around high rise buildings, which began in January 2024, which is having an impact on customer experience and trading across 2023/24 and 2024/25, and significant disruption within the Cultural Quarter – including road closures, loss of parking and restrictions to primary pedestrian routes – as a result of unexpected external work to Curve theatre, which will continue until Autumn 2025.

To mitigate the impacts of these challenges we aim to address the budget deficit by a combination of sales growth and efficiencies where possible, including by:

- developing new income streams across the business, seeking to build on popular products and services.
- focusing on differentiating Phoenix's offer from competitors, to provide added value experiences to excite audiences.
- investing in new software and business processes for facilities hires, to improve efficiency, sales management and customer experience.
- revitalising and relaunching MyPhoenix membership scheme, to drive new memberships and deepen engagement.
- developing and launching a new Business Supporters scheme, aimed specifically at small businesses for whom sponsorship is out of reach.

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- revitalising sponsorship offer to attract support from businesses and high net worth individuals
- engaging directly with business leaders and networks to promote Phoenix as a business service provider.
- revitalising and relaunching funding campaign for individual givers to drive donations.
- seeking new avenues for grant funding, to supplement existing funding streams.
- investing in team development to improve efficiency, effectiveness, productivity and staff engagement.
- adapting the organisation to the present demand as far as possible.

As an important independent cultural venue at the heart of one of the UK's most diverse cities, Phoenix aims to increase its contribution to Leicester's social, cultural and economic development. To achieve this we will continue to work directly with local communities and businesses to develop and deliver a cultural programme that is relevant to these communities, opportunities to engage in meaningful and inspiring creative activities, and support for digital creative businesses to foster a thriving creative economy.

Having achieved the Building Research Establishment Environmental Assessment Method (BREEAM) rating of Very Good for our capital development, we will continue to promote environmental stewardship in all aspects of our cultural programme and embed environmental responsibility in our operational and creative decision making as a path to 2050 Net-Zero.

Accessibility is at the heart of Phoenix, and underpinned the capital development. We will continue to work hard to make sure that Phoenix is an inclusive and welcoming place for everyone – a place that is representative of the communities we serve, that celebrates diversity, and provides equality of opportunity. We will:

- recruit, develop, nurture and promote talent.
- ensure every individual is treated with dignity and respect.
- deliver excellent service to our customers and wider audiences.
- support and work in partnership with our diverse communities, who live and work in Leicester, Leicestershire and beyond.
- support our partners, suppliers, community and business partners in promoting and achieving equality, diversity and inclusion.
- have effective equality, diversity and inclusion policies, practices and procedures.
- continue to work closely with our Access Advisory Group to further develop accessible programming and communications to meet the differing needs of Phoenix audiences.

These aims are embedded within our organisation – they underpin our thinking and our actions. We are held accountable to these aims by our Board of Trustees and our stakeholders.

We continue to engage with the local authority regarding reduction of their revenue grant beyond April 2025, and also mitigation of the impact of their recladding project, which started in January 2024 and will span two financial years (2023/24 and 2024/25).

Following the retirement of a number of Board members after completion of the capital project, we will recruit new Trustees who can support the charity's further development, improve business links, and advance the representation of local communities.



**LEICESTER ARTS CENTRE LIMITED  
TRADING AS PHOENIX  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2024**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006, Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the trust deed. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make them-self aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This report has been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.



**ON BEHALF OF THE BOARD**  
**Alison Sinclair (Chair) – Director**

**27 November 2024**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**

**OPINION**

We have audited the consolidated accounts of Leicester Arts Centre Trading as Phoenix for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Consolidated Cashflow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the consolidated accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated accounts section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to where:

The trustees' use of the going concern basis of accounting in the preparation of the consolidated accounts is not appropriate; or

The trustees have not disclosed in the consolidated accounts any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the consolidated accounts are authorised for issue.

**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We would draw your attention to Note 17 of the accounts. As set out in that note there are conditions that indicate a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. The auditors opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX (continued)**

**OTHER INFORMATION**

The other information comprises the information included in the annual report, other than the consolidated accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the consolidated accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance thereon.

In connection with our audit of the consolidated accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the consolidated accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE CHARITIES ACT 2011**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report for the financial year for which the consolidated accounts are prepared is consistent with the consolidated accounts
- the Trustees' Report has been prepared in accordance with applicable legal requirements

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the consolidated accounts in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Annual Report and from the requirement to prepare a strategic report.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the consolidated accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX (continued)**

**AUDITORS RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED ACCOUNTS**

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

A further description of our responsibilities for the audit of the consolidated accounts is located on the Financial Reporting Councils website at [www.frc.org.uk/auditorresponsibilities](http://www.frc.org.uk/auditorresponsibilities). This description forms part of our auditor's report.

Evolve Accountants and Business Advisors Limited  
Accountants and Statutory Auditors  
Unit 10 Phoenix Park  
Telford Way, Coalville,  
Leicestershire LE67 3HB

27 November 2024

LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2024

|  |      | CHARITY                   |                         |                    |                    |
|--|------|---------------------------|-------------------------|--------------------|--------------------|
|  |      | Unrestricted Funds 2024 £ | Restricted Funds 2024 £ | Total Funds 2024 £ | Total Funds 2023 £ |
|  | Note |                           |                         |                    |                    |
| <b>Incoming Resources from generated funds</b>       |      |                           |                         |                    |                    |
| <b><i>Voluntary Income</i></b>                       |      |                           |                         |                    |                    |
| Grants received                                      |      | 204,000                   | 589,676                 | 793,676            | 4,700,086          |
| Intangible income – rent free use of premises        |      | 110,500                   | -                       | 110,500            | 110,500            |
| <b><i>Investment Income</i></b>                      |      |                           |                         |                    |                    |
| Bank interest  |      | 1,397                     | -                       | 1,397              | 797                |
| Gift aid from subsidiary                             |      | 187,101                   | -                       | 187,101            | 48,975             |
| <b>Incoming Resources from Charitable Activities</b> |      |                           |                         |                    |                    |
| Box Office (charitable trading income)               |      | 614,690                   | -                       | 614,690            | 326,217            |
| Other income from operating activities               |      | 95,658                    | -                       | 95,658             | 69,266             |
| Total Incoming Resources                             |      | 1,213,346                 | 589,676                 | 1,803,022          | 5,225,841          |
| <b>Resources Expended</b>                            |      |                           |                         |                    |                    |
| <b><i>Costs of generating funds</i></b>              |      |                           |                         |                    |                    |
| Premises costs – intangible                          |      | 110,500                   | -                       | 110,500            | 110,500            |
| <b><i>Cost of Charitable activities</i></b>          |      |                           |                         |                    |                    |
| Live performance and education                       |      | 43,120                    | 52,258                  | 95,378             | 50,961             |
| Film hire  |      | 244,959                   | -                       | 244,959            | 129,154            |
| Wages, salaries and Social Security                  |      | 773,476                   | 27,216                  | 800,692            | 740,293            |
| Marketing and publicity                              |      | 95,922                    | -                       | 95,922             | 79,249             |
| Premises costs – Centre                              |      | 190,415                   | -                       | 190,415            | 125,829            |
| Depreciation   |      | 14,733                    | 158,202                 | 172,935            | 19,334             |
| Supplies and services                                |      | 246,412                   | 9,089                   | 255,501            | 193,416            |
| <b><i>Governance costs</i></b>                       |      | 4,583                     | -                       | 4,583              | 4,511              |
| Total resources expended                             |      | 1,724,120                 | 246,765                 | 1,970,885          | 1,453,247          |
| <b>Net (outgoing)/incoming Resources</b>             |      | (510,774)                 | 342,911                 | (167,863)          | 3,802,594          |
| Transfers  | 12   | 158,747                   | (158,747)               | -                  | -                  |
| <b>Net Movement on Funds</b>                         |      | (352,027)                 | 184,164                 | (167,863)          | 3,802,594          |
| Total funds brought forward                          |      | 965,195                   | 7,637,042               | 8,602,237          | 4,799,643          |
| <b>Total funds carried forward</b>                   |      | 613,168                   | 7,821,206               | 8,434,374          | 8,602,237          |

All incoming resources and resources expended derive from continuing activities.

LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2024

|   |      |                                 | GROUP                         |                          |                          |
|---|------|---------------------------------|-------------------------------|--------------------------|--------------------------|
|   |      | Unrestricted Funds<br>2024<br>£ | Restricted Funds<br>2024<br>£ | Total Funds<br>2024<br>£ | Total Funds<br>2023<br>£ |
|   | Note |                                 |                               |                          |                          |
| Incoming Resources from generated funds       |      |                                 |                               |                          |                          |
| Voluntary Income                              |      |                                 |                               |                          |                          |
| Grants received                               |      | 204,000                         | 589,676                       | 793,676                  | 4,700,086                |
| Intangible income – rent free use of premises |      | 110,500                         | -                             | 110,500                  | 110,500                  |
| Investment Income                             |      | 1,397                           | -                             | 1,397                    | 797                      |
| Activities for Generating Funds               |      |                                 |                               |                          |                          |
| Income of trading subsidiary                  |      | 877,723                         | -                             | 877,723                  | 325,236                  |
| Incoming Resources from Charitable Activities |      |                                 |                               |                          |                          |
| Box Office (charitable trading income)        |      | 614,690                         | -                             | 614,690                  | 326,217                  |
| Other income from operating activities        |      | 86,956                          | -                             | 86,956                   | 69,266                   |
| Total Incoming Resources                      |      | 1,895,266                       | 589,676                       | 2,484,942                | 5,532,102                |
| Resources Expended                            |      |                                 |                               |                          |                          |
| Costs of generating funds                     |      |                                 |                               |                          |                          |
| Trading subsidiary cost of sales              |      | 283,198                         | -                             | 283,198                  | 84,696                   |
| Trading subsidiary overhead costs             |      | 18,167                          | -                             | 18,167                   | 13,000                   |
| Premises costs – intangible                   |      | 110,500                         | -                             | 110,500                  | 110,500                  |
| Cost of Charitable activities                 |      |                                 |                               |                          |                          |
| Live performance and education                |      | 43,120                          | 52,258                        | 95,378                   | 50,961                   |
| Film hire                                     |      | 244,959                         | -                             | 244,959                  | 129,154                  |
| Wages, salaries and Social Security           |      | 1,152,599                       | 27,216                        | 1,179,815                | 918,858                  |
| Marketing and publicity                       |      | 95,922                          | -                             | 95,922                   | 79,249                   |
| Premises costs – Centre                       |      | 190,415                         | -                             | 190,415                  | 125,829                  |
| Depreciation                                  |      | 17,074                          | 158,202                       | 175,276                  | 21,406                   |
| Supplies and services                         |      | 246,412                         | 9,089                         | 255,501                  | 193,416                  |
| Governance costs                              |      | 4,583                           | -                             | 4,583                    | 4,511                    |
| Total resources expended                      |      | 2,406,949                       | 246,765                       | 2,653,714                | 1,731,580                |
| Net (outgoing)/incoming Resources             |      | (511,683)                       | 342,911                       | (168,772)                | 3,800,522                |
| Transfers                                     | 12   | 158,747                         | (158,747)                     | -                        | -                        |
| Net Movement on Funds                         |      | (352,936)                       | 184,164                       | (168,772)                | 3,800,522                |
| Total funds brought forward                   |      | 967,490                         | 7,637,042                     | 8,604,532                | 4,804,010                |
| Total funds carried forward                   | 14   | 614,554                         | 7,821,206                     | 8,435,760                | 8,604,532                |

All incoming resources and resources expended derive from continuing activities.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**BALANCE SHEET AS AT THE YEAR ENDED 31 MARCH 2024**

|                                      | Note | CHARITY          |                  | GROUP            |                  |
|--------------------------------------|------|------------------|------------------|------------------|------------------|
|                                      |      | 2024             | 2023             | 2024             | 2023             |
|                                      |      | £                | £                | £                | £                |
| <b>FIXED ASSETS:</b>                 |      |                  |                  |                  |                  |
| Tangible assets                      | 6    | 8,344,577        | 8,408,626        | 8,345,961        | 8,410,919        |
| Investments                          | 2    | 2                | 2                | -                | -                |
|                                      |      | <u>8,344,579</u> | <u>8,408,628</u> | <u>8,345,961</u> | <u>8,410,919</u> |
| <b>CURRENT ASSETS:</b>               |      |                  |                  |                  |                  |
| Stocks                               |      | -                | -                | 17,203           | 9,603            |
| Debtors                              | 7    | 116,376          | 71,032           | 102,782          | 92,186           |
| Cash at bank and in hand             |      | <u>273,102</u>   | <u>486,688</u>   | <u>359,922</u>   | <u>505,240</u>   |
|                                      |      | <u>389,478</u>   | <u>557,720</u>   | <u>479,907</u>   | <u>607,029</u>   |
| <b>CREDITORS:</b>                    |      |                  |                  |                  |                  |
| Amounts falling due within one year  | 8    | <u>228,850</u>   | <u>251,611</u>   | <u>319,275</u>   | <u>300,916</u>   |
| <b>NET CURRENT ASSETS:</b>           |      | <u>160,628</u>   | <u>306,109</u>   | <u>160,632</u>   | <u>306,113</u>   |
| <b>CREDITORS:</b>                    |      |                  |                  |                  |                  |
| Amounts falling due in over one year | 9    | <u>70,833</u>    | <u>112,500</u>   | <u>70,833</u>    | <u>112,500</u>   |
| <b>NET ASSETS:</b>                   |      | <u>8,434,374</u> | <u>8,602,237</u> | <u>8,435,760</u> | <u>8,604,532</u> |
| <b>UNRESTRICTED FUNDS:</b>           |      |                  |                  |                  |                  |
| General fund                         |      | 607,786          | 395,555          | 609,172          | 397,850          |
| Designated Funds                     | 13   | 5,382            | 569,640          | 5,382            | 569,640          |
| <b>RESTRICTED FUNDS</b>              | 12   | <u>7,821,206</u> | <u>7,637,042</u> | <u>7,821,206</u> | <u>7,637,042</u> |
|                                      | 14   | <u>8,434,374</u> | <u>8,602,237</u> | <u>8,435,760</u> | <u>8,604,532</u> |

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the period by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have however been audited as required by the Charities Act 2011. These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

These financial statements were approved by the board and authorised for issue on 27 November 2024, and are signed on their behalf by:



**Alison Sinclair (Chair) – Director**  
**Company Registration Number 02276987**

LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
STATEMENT OF CASH FLOWS THE YEAR ENDED 31 MARCH 2024

|   | Note | CHARITY               |                       | GROUP                 |                       |
|---|------|-----------------------|-----------------------|-----------------------|-----------------------|
|   |      | 2024<br>£             | 2023<br>£             | 2024<br>£             | 2023<br>£             |
| <b>Cash flows from operating activities:</b>                |      |                       |                       |                       |                       |
| (Deficit)/Surplus for the year                              |      | (167,863)             | 3,802,594             | (168,772)             | 3,800,522             |
| Adjustments for:  |      |                       |                       |                       |                       |
| Depreciation of fixed assets                                |      | 172,935               | 19,334                | 175,276               | 21,406                |
| Interest income   |      | (1,397)               | (797)                 | (1,397)               | (797)                 |
| Interest expense  |      | 9,089                 | 11,714                | 9,089                 | 11,714                |
| Decrease/(increase) in trade and other receivables          |      | (45,344)              | 616,361               | (10,596)              | 481,176               |
| Decrease/(increase) in stock                                |      | -                     | -                     | (7,600)               | (3,413)               |
| Increase/(decrease) in trade and other payables             |      | (18,595)              | (696,643)             | 22,525                | (669,037)             |
| <b>Net cash from operating activities</b>                   |      | <u>(51,175)</u>       | <u>3,754,563</u>      | <u>18,525</u>         | <u>3,641,571</u>      |
| <b>Investment activities:</b>                               |      |                       |                       |                       |                       |
| Purchase of tangible fixed assets                           |      | (108,886)             | (4,274,312)           | (110,318)             | (4,274,312)           |
| Interest received   |      | 1,397                 | 797                   | 1,397                 | 797                   |
| <b>Net cash from investment activities</b>                  |      | <u>(107,489)</u>      | <u>(4,273,515)</u>    | <u>(108,921)</u>      | <u>(4,273,515)</u>    |
| <b>Financing activities:</b>                                |      |                       |                       |                       |                       |
| Loan advances   |      | -                     | -                     | -                     | -                     |
| Interest paid   |      | (9,089)               | (11,714)              | (9,089)               | (11,714)              |
| Repayment of borrowings                                     |      | (45,833)              | (48,332)              | (45,833)              | (48,332)              |
| <b>Net cash used in financing activities</b>                |      | <u>(54,922)</u>       | <u>(60,046)</u>       | <u>(54,922)</u>       | <u>(60,046)</u>       |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | <u>(213,586)</u>      | <u>(578,997)</u>      | <u>(145,318)</u>      | <u>(691,990)</u>      |
| Cash and cash equivalents at beginning of the year          | 18   | <u>486,688</u>        | <u>1,065,686</u>      | <u>505,240</u>        | <u>1,197,230</u>      |
| <b>Cash and cash equivalents at end of year</b>             | 18   | <u><u>273,102</u></u> | <u><u>486,688</u></u> | <u><u>359,922</u></u> | <u><u>505,240</u></u> |

**1. ACCOUNTING POLICIES**

**Going Concern**

The accounts have been prepared on a going concern basis.

**Accounting Convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**Basis of Consolidation**

The consolidated financial statements combine the financial statements of the Leicester Arts Centre Limited and its' wholly owned subsidiary company, Firebird Trading Limited, as well as also showing the results of Leicester Arts Centre Limited as a single entity.

**Incoming Resources**

Income includes grant funding, donations, sponsorship and net invoiced sales of services, excluding value added tax.

Income is included in incoming resources when it is receivable, except as follows:

Income from cinema admission fees is included in incoming resources in the period in which the relevant show takes place.

When rental is received in advance, for a pre-determined period, the income is deferred and released to income over the defined period.

The rent-free use of the premises has been accounted for by showing the market value of the rent that would have been charged as intangible income and a premises cost.

**Resources Expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in this cost categories.

Costs of generating funds comprise the costs of trading including the centre.

Costs of activities in furtherance of the objects of the charity comprise costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

**Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.



**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible Fixed Assets**

Fixed Assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

|                         |   |                       |
|-------------------------|---|-----------------------|
| Cinema Equipment        | - | 20% on cost           |
| Office and IT Equipment | - | 20%/33.3%/50% on cost |
| Catering Equipment      | - | 20% on cost           |

Whilst the Phoenix 2020 Capital Project is ongoing the capital asset is not being depreciated until the project is complete.

Fixed assets costing less than £500 are not capitalised.

**Hire Purchase and Leasing Commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Taxation**

As a charity, Leicester Arts Centre Limited is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or S252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**Fund Accounting**

- Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the directors for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

**2. NET INCOME OF TRADING SUBSIDIARY**

The Charity owns the entire share capital of its trading subsidiary which is incorporated in the UK. The principal activities of Firebird Trading Limited are that of the operation of the Café Bar within Phoenix Square. The company pays its taxable profits to Leicester Arts Centre Limited under Gift Aid and its financial year end is the same as that of the Charity. A summary of its trading results is shown below:

|                                | 2024             | 2023            |
|--------------------------------|------------------|-----------------|
|                                | £                | £               |
| Turnover                       | 877,723          | 325,236         |
| Cost of sales                  | (434,998)        | (159,988)       |
| <b>Gross Profit</b>            | <b>442,725</b>   | <b>165,248</b>  |
| Administration expenses        | (256,533)        | (118,345)       |
| <b>Other operating income</b>  | <b>-</b>         | <b>-</b>        |
| <b>Gift Aid Donation</b>       | <b>(187,101)</b> | <b>(48,975)</b> |
| <b>Operating profit/(loss)</b> | <b>(909)</b>     | <b>(2,072)</b>  |

The assets and liabilities of the subsidiary were;

|   |              |              |
|---|--------------|--------------|
| Fixed assets                                  | 1,384        | 2,293        |
| Current assets                                | 145,890      | 73,373       |
| Creditors : Amounts falling due within 1 year | (145,886)    | (74,369)     |
| <b>Total Net Assets</b>                       | <b>1,388</b> | <b>2,297</b> |
| <b>Aggregate Share Capital and Reserves</b>   | <b>1,388</b> | <b>2,297</b> |

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**3. STAFF COSTS**

|   | CHARITY          |                  | GROUP            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 March<br>2024 | 31 March<br>2023 | 31 March<br>2024 | 31 March<br>2023 |
|   | £                | £                | £                | £                |
| Wages and salaries                            | 717,719          | 667,912          | 717,719          | 667,912          |
| Social Security costs                         | 51,518           | 45,674           | 51,518           | 45,674           |
| Pension contributions                         | 31,455           | 26,707           | 31,455           | 26,707           |
| Direct Wages of subsidiary company            | -                | -                | 151,800          | 75,292           |
| Administrative salaries of subsidiary company | -                | -                | 227,323          | 103,273          |
|   | <u>800,692</u>   | <u>740,293</u>   | <u>1,179,815</u> | <u>918,858</u>   |

The average monthly number of FTE employees during the year was as follows:

|                       | CHARITY          |                  | GROUP            |                  |
|-----------------------|------------------|------------------|------------------|------------------|
|                       | 31 March<br>2024 | 31 March<br>2023 | 31 March<br>2024 | 31 March<br>2023 |
|                       | £                | £                | £                | £                |
| Charitable Activities | 32               | 33               | 32               | 33               |
| Generating Funds      | -                | -                | 17               | 13               |
|                       | <u>-</u>         | <u>33</u>        | <u>49</u>        | <u>46</u>        |

One employee earned between £70,000 and £80,000 per annum. No other employees earned £50,000 per annum or more.

The directors were not paid or reimbursed for expenses during the year.

**4. NET SURPLUS/(DEFICIT) FOR THE YEAR**

The net surplus/(deficit) is stated after charging:

|  | CHARITY          |                  | GROUP            |                  |
|--|------------------|------------------|------------------|------------------|
|  | 31 March<br>2024 | 31 March<br>2023 | 31 March<br>2024 | 31 March<br>2023 |
|  | £                | £                | £                | £                |
| Depreciation                                 | 172,935          | 19,334           | 175,276          | 21,406           |
| Loss/(Profit) on disposal of fixed assets    | -                | -                | -                | -                |
| Auditors' remuneration                       | <u>4,583</u>     | <u>4,511</u>     | <u>4,583</u>     | <u>4,511</u>     |
| Directors emoluments and other benefits, etc | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>         |

**5. TAXATION**

**Analysis of the tax charge**

No liability to UK Corporation Tax arose on ordinary activities for the year ended 31 March 2024 or for the year ended 31 March 2023.



LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6. TANGIBLE FIXED ASSETS

|                           |                            |                          |                            |                               | <u>CHARITY</u> |
|---------------------------|----------------------------|--------------------------|----------------------------|-------------------------------|----------------|
|                           | 2020 Project<br>Costs<br>£ | Cinema<br>Equipment<br>£ | Catering<br>Equipment<br>£ | Office & IT<br>Equipment<br>£ | Totals<br>£    |
| <b>COST OR VALUATION:</b> |                            |                          |                            |                               |                |
| At 1 April 2023           | 8,383,070                  | 528,892                  | -                          | 118,103                       | 9,030,065      |
| Additions                 | 108,886                    | -                        | -                          | -                             | 108,886        |
| Disposal                  | -                          | -                        | -                          | -                             | -              |
| At 31 March 2024          | 8,491,956                  | 528,892                  | -                          | 118,103                       | 9,138,951      |
| <b>DEPRECIATION:</b>      |                            |                          |                            |                               |                |
| At 1 April 2023           | -                          | 503,336                  | -                          | 118,103                       | 621,439        |
| Charge for year           | 158,202                    | 14,733                   | -                          | -                             | 172,935        |
| Charge on disposals       | -                          | -                        | -                          | -                             | -              |
| At 31 March 2024          | 158,202                    | 518,069                  | -                          | 118,103                       | 794,374        |
| <b>NET BOOK VALUE:</b>    |                            |                          |                            |                               |                |
| At 31 March 2024          | 8,333,754                  | 10,823                   | -                          | -                             | 8,344,577      |
| At 31 March 2023          | 8,383,070                  | 25,556                   | -                          | -                             | 8,408,626      |

|                           |                            |                          |                            |                               | <u>GROUP</u> |
|---------------------------|----------------------------|--------------------------|----------------------------|-------------------------------|--------------|
|                           | 2020 Project<br>Costs<br>£ | Cinema<br>Equipment<br>£ | Catering<br>Equipment<br>£ | Office & IT<br>Equipment<br>£ | Totals<br>£  |
| <b>COST OR VALUATION:</b> |                            |                          |                            |                               |              |
| At 1 April 2023           | 8,383,070                  | 528,892                  | 79,042                     | 118,103                       | 9,109,107    |
| Additions                 | 108,886                    | -                        | 1,432                      | -                             | 110,318      |
| Disposal                  | -                          | -                        | -                          | -                             | -            |
| At 31 March 2024          | 8,491,956                  | 528,892                  | 80,474                     | 118,103                       | 9,219,425    |
| <b>DEPRECIATION:</b>      |                            |                          |                            |                               |              |
| At 1 April 2023           | -                          | 503,336                  | 76,749                     | 118,103                       | 698,188      |
| Charge for year           | 158,202                    | 14,733                   | 2,341                      | -                             | 175,276      |
| Charge on disposals       | -                          | -                        | -                          | -                             | -            |
| At 31 March 2024          | 158,202                    | 518,069                  | 79,090                     | 118,103                       | 873,464      |
| <b>NET BOOK VALUE:</b>    |                            |                          |                            |                               |              |
| At 31 March 2024          | 8,333,754                  | 10,823                   | 1,384                      | -                             | 8,345,961    |
| At 31 March 2023          | 8,383,070                  | 25,556                   | 2,293                      | -                             | 8,410,919    |

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**6. TANGIBLE FIXED ASSETS (Continued)**

The company has enjoyed throughout the year the use of certain fixed assets (principally cinema equipment) which were invested in the company by the Phoenix Arts Centre. The written down value of these assets is nil, their original cost is not known and they do not appear in the fixed asset schedule above. All fixed assets were used for charitable purposes.

The company has enjoyed throughout the year rent-free use of the original premises it operates from. The market value of the rent has been calculated at £110,500 per annum (2023: £110,500) and has been shown as intangible income and rent.

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                 | CHARITY          |                  | GROUP            |                  |
|---------------------------------|------------------|------------------|------------------|------------------|
|                                 | 31 March<br>2024 | 31 March<br>2023 | 31 March<br>2024 | 31 March<br>2023 |
|                                 | £                | £                | £                | £                |
| Trade, grant and agents debtors | 46,948           | 24,886           | 86,111           | 71,105           |
| Due from subsidiary company     | 55,461           | 11,305           | -                | -                |
| VAT                             | -                | 13,760           | -                | -                |
| Prepayments and other debtors   | 13,967           | 21,081           | 16,671           | 21,081           |
|                                 | <u>116,376</u>   | <u>71,032</u>    | <u>102,782</u>   | <u>92,186</u>    |

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                 | CHARITY          |                  | GROUP            |                  |
|---------------------------------|------------------|------------------|------------------|------------------|
|                                 | 31 March<br>2024 | 31 March<br>2023 | 31 March<br>2024 | 31 March<br>2023 |
|                                 | £                | £                | £                | £                |
| Trade creditors                 | 43,981           | 53,456           | 68,723           | 68,910           |
| Other creditors                 | 1,257            | 1,257            | 1,257            | 1,257            |
| Social Security and other taxes | 34,662           | 31,253           | 34,662           | 31,253           |
| VAT                             | 8,746            | -                | 61,097           | 17,684           |
| Deferred income (Note 10)       | 12,252           | 17,848           | 12,252           | 17,848           |
| Bank Loan (CBILS)               | 45,834           | 50,000           | 45,834           | 50,000           |
| Accrued expenses                | 82,118           | 97,797           | 95,450           | 113,964          |
|                                 | <u>228,850</u>   | <u>251,611</u>   | <u>319,275</u>   | <u>300,916</u>   |

**9. CREDITORS: AMOUNTS FALLING DUE IN OVER ONE YEAR**

|                   | CHARITY          |                  | GROUP            |                  |
|-------------------|------------------|------------------|------------------|------------------|
|                   | 31 March<br>2024 | 31 March<br>2023 | 31 March<br>2024 | 31 March<br>2023 |
|                   | £                | £                | £                | £                |
| Bank Loan (CBILS) | 70,833           | 112,500          | 70,833           | 112,500          |
|                   | <u>70,833</u>    | <u>112,500</u>   | <u>70,833</u>    | <u>112,500</u>   |

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**10. DEFERRED INCOME**

Deferred income comprises admission fees received in advance and grants and rental income that relate to pre-determined future periods.

**11. CAPITAL COMMITMENTS**

At the year ended 31 March 2024 there were capital commitments which had been fully contracted for amounting to £Nil (2023 : £Nil).

**12. MOVEMENTS IN RESTRICTED FUNDS (Charity and Group)**

|                            | At 1 April<br>2023<br>£ | Incoming<br>Resources<br>£ | Outgoing<br>Resources<br>£ | Transfers<br>£   | At 31 March<br>2024<br>£ |
|----------------------------|-------------------------|----------------------------|----------------------------|------------------|--------------------------|
| ACE NPO Funding            | 4,133                   | 81,945                     | 66,878                     | (19,200)         | -                        |
| ACE Creative Media Network | 5,802                   | -                          | -                          | (5,802)          | -                        |
| ACE Careful Networks       | 4,426                   | -                          | 902                        | -                | 3,524                    |
| Phoenix 2020 Development   | 7,337,023               | 200,000                    | 172,717                    | -                | 7,364,306                |
| BFI Audience Fund          | (20,000)                | 121,250                    | -                          | (135,000)        | (33,750)                 |
| BFI Culture Recovery Fund  | 6,212                   | -                          | -                          | (6,212)          | -                        |
| ERDF Capital Fund          | 401,745                 | 91,649                     | 6,268                      | -                | 487,126                  |
| ERDF Revenue Fund          | (102,299)               | 94,832                     | -                          | 7,467            | -                        |
|                            | <u>7,637,042</u>        | <u>589,676</u>             | <u>246,765</u>             | <u>(158,747)</u> | <u>7,821,206</u>         |

**ARTS COUNCIL ENGLAND GRANT (NPO)**

Phoenix receives regular funding for its digital arts programme from Arts Council England (ACE) as a National Portfolio Organisation (NPO). Phoenix has maintained ACE NPO status since 1 April 2012.

The restricted fund now pertains to the National Portfolio Investment Programme which runs from 1 April 2023 to 31 March 2026. Phoenix applied for, and was awarded funding for this period in 2022.

The funding enables a programme of digital arts exhibitions, events and learning activities. We regularly commission and curate work by national and international artists, host screenings and performances and offer workshops for children, young people, and families. The programme is also supported by De Montfort University. The overall theme is an exploration of the creative and cultural impact of media and technology. Working with a range of partners, we commission and produce new work by established and emerging artists for exhibition in our gallery and beyond, with the aim of reaching a wide and diverse audience.

With the opening of the new extension in January 2023, it was possible to restart a programme of gallery exhibitions in the brand new digital arts gallery. The Digital Arts Manager appointed in August 2022 resigned her position in November 2023 and a specialist creative producer was appointed to advise and develop the arts programme from thereon.

The new gallery featured two exhibitions by local artists (*Object Memory* and *Place and Memory*) in the first six months, supported by the Real Initiative. These were followed by two major exhibitions – *Fragment Ecologies*, a solo show by acclaimed American artist Everest Pipkin, and group show *Virtual Textual* which featured as its centrepiece *Wood Wide Web*, a new collaborative work co-commissioned in partnership with the National Poetry Library, alongside work by 12 artists from around the world.



**12. MOVEMENTS IN RESTRICTED FUNDS (Charity and Group) – Continued**

The Wall: Digital Revelations open call, in partnership with Off Site Project, yielded original work for Phoenix's media wall, with Christopher MacInnes's interactive work *Terra regis / terra neminis* (2023) selected from the open call submissions.

Phoenix also partnered with the Computer Arts Society to host a series of exhibitions of work by renowned computer art pioneers, including Jack Tait, Paul Brown, and Ernest Edmonds.

2023/24 came to a close with Nemesis, a curated photographic odyssey by award-winning celebrity photographer (and De Montfort University alumnus) Andy Gotts MBE, showcasing the stars behind some of the most infamous villains in James Bond's cinema history. This culminated in a sold-out "In Conversation" event with Andy Gotts and Charles Dance, whose portrait featured in the exhibition, in partnership with De Montfort University.

Throughout the year, Phoenix also hosted a number of artist networking events, artist talks, and workshops, providing learning and creative opportunities to artists and the wider community, including children and young people.

Phoenix continues to make good progress against ACE investment principles, in particular around Environmental Responsibility, as evidenced through Julie's Bicycle. We have re-established our Environmental Action Group, our action plan has been reviewed and updated, and our cultural programme presents regular events on environmental themes. We have also instigated travel surveys of staff and customers which will be undertaken on a regular basis.

We have also made strides in terms of Inclusivity and Relevance. We have recruited volunteer community Ambassadors who support our Community Outreach Officer in engaging wider audiences, understanding the aspirations of communities in terms of cultural provision, identifying barriers to participation, and seeking opportunities for artistic collaboration through workshops and projects.

**ARTS COUNCIL ENGLAND CREATIVE MEDIA NETWORK**

ACE funded Phoenix to test the feasibility of a network in the midlands dedicated to sharing and promoting creative media practice. The project has ended in 2022 and the restricted fund was closed in 2023/24.

**ARTS COUNCIL ENGLAND CAREFUL NETWORKS FUND**

Careful Networks was a project initiated by Phoenix in partnership with BOM, Furtherfield, The Photographers' Gallery, QUAD and Vivid Projects. The project examined alternative ways of hosting and viewing digital artworks with the idea of experimenting with practices focused on 'care'. A £32,230 grant was awarded from the Arts Council Project Grants programme. (ACE temporarily allowed NPO's to apply for project grants in response to the pandemic).

Each partner organisation nominated participating artists who were introduced to the concept of peer-to-peer systems, alternative web protocols and approaches to careful networking. They were then tasked to create new digital artworks that were hosted using this approach. The exhibition was then archived as a standalone website, which remains accessible to audiences. The project benefited the partners and 14 artists and attracted a more global audience than usual. It received a favourable independent evaluation and was featured in a talk and podcast with TheODI.

The project was mostly delivered in 2021/22 and was completed in 2022/23. The restricted fund will be closed and the small balance remaining will be contributed to the NPO restricted fund.

**12. MOVEMENTS IN RESTRICTED FUNDS (Charity and Group) – Continued**

**BFI (BRITISH FILM INSTITUTE) AUDIENCE FUND**

BFI has been a recurrent grant supporter of Phoenix for many years. In response to BFI's new strategy (Screen Culture 2033), Phoenix applied for, and was awarded an Audience Projects Fund grant of £270k for the period 26 April 2023 to 31 March 2025. In 2023/24, the grant supported a significant increase in audience outreach and development facilitated by a new Community Outreach Officer and two Associate Curators.

The annual cinema audience of 77,383 was 86% of pre-pandemic 2019/20 (89,580), and a big improvement on the previous year (45,332) when building work affected the programme.

2023/24 has seen a step-change in how Phoenix engages and work with communities, driven by the work of our Community Outreach Office and Associate Curators who have pushed the organisation to think about how we programme, who we work with, what events we work on, how we market our programme, and consider what our organisational priorities are. Their advice and input has had a positive impact; Phoenix has surpassed audience attendance targets and increased audience diversity, resulting in sold-out community-focused events. Our reputation as an open and inclusive space has also led to higher returns for the rest of the film programme.

Access is at the heart of what we do. We continue our work with the Access Advisory Group (AAG), and have restarted our IDEA (Inclusion, Diversity, Equity and Access) committee meetings, and engage with local accessibility organisation ALL IN. 58% of screenings in 2023/24 had an access element (audio-description, captions, or relaxed environment), with a high of 62% in Q4.

Phoenix remains committed to a programme that showcases the breadth and depth of cinema. In 2023/24 we screened films from over 35 different countries and are known in the city as the home of world cinema – 56% of the films we screened this year were independent feature films. Across the year 71% of our screenings were of world cinema, British film, documentaries or rep titles, opening up the history of cinema to our audience.

We are also making progress towards an inclusive and representative workforce. Within creative and curatorial roles, Phoenix has appointed three people (Community Outreach Officer and Associate Curators) who identify as from the global majority. Three quarters of interviewees for the role of Community Outreach Officer were global majority. Our staff team has seen the appointment of new interim co-CEOs and our combined administration and management team is 92% female, while our Front of House and hospitality teams are young and representative of the make-up of the city population.

**PHOENIX 2020 DEVELOPMENT FUND**

The Phoenix 2020 capital project is managed through this overarching restricted fund, which receives capital grant payments and the corresponding expenditure.

In June 2017 Phoenix was awarded Arts Council England (ACE) Large Capital programme funds towards its plan to expand the Phoenix Square venue. The aims of the development are to double participation in the Phoenix cultural programme and to significantly increase the charity's earned income and long-term financial resilience. The initial award included a £177,802 development grant and the conditional offer of up to £4M capital grant subject to completion of the stage 1 grant conditions and a successful stage 2 application. The ACE development grant was matched by a Leicester and Leicestershire Enterprise Partnership (LLEP) Project Development Grant of £100,000 confirmed in June 2017.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**12. MOVEMENTS IN RESTRICTED FUNDS (Charity and Group) – Continued**

Planning approval in February 2019 was followed by confirmation of the stage 2 Large Capital grant in March 2019 of £4M. In August 2020 Leicester City Council confirmed a lease on the additional land needed at a peppercorn rent until 2069. This milestone enabled the final design stage (RIBA4) to begin part-funded by the Arts Council Large Capital Grant matched by Phoenix. These funds were used primarily for the professional services required to develop the scheme from RIBA3 to RIBA4 including design, construction planning and business planning.

Despite the pandemic, fundraising efforts produced an additional £1.5M of capital grants in 3 separate awards by 31 March 2021: Arts Council Kickstart Fund, Leicester City Council Business Rates Pool Fund via Leicester and Leicestershire Enterprise Partnership, and the European Regional Development Fund.

RIBA4 final designs and planning were completed in May 2021 against the backdrop of considerable price volatility and supply chain concerns in the construction industry. Additional financial support from Leicester City Council and Arts Council England was sought and confirmed in July, which closed the gap between funds pledged and project costs and enabled the Trustees to enter into the £6.2M construction contract. A new Deed of Security was provided to ACE.

The main contractor started on-site in September 2021 and the building works completion certificate was issued on 16<sup>th</sup> December 2022. The contract includes one year of snagging from the completion date. Phoenix directly procured circa £1M of fixtures and fittings, mostly during the financial year, with some deferred to 2023/24, in particular the fit-out of the roof terrace garden. The development achieved the Research Establishment Environmental Assessment Method (BREEAM) rating of Very Good.

The new venue was opened to the public on 20th January 2023 to overwhelmingly positive approval of our customers and stakeholders.

The project successfully delivered a high quality arts building within the final agreed budget to the expected specification. Visitor and stakeholder feedback on the quality of the building has been excellent. The initial concept and application were formulated in October 2016 and it is a significant achievement to deliver this outcome in just over 6 years. Clearly it could only have been achieved with the financial contributions of ACE, LCC and other funders. LCC was also instrumental in providing significant in-kind support including land and expertise.

The final ACE grant claim was completed and final instalment paid in September 2023. The fund is now consolidated and depreciation of the assets created by the project will be charged to it.

**ERDF CAPITAL & REVENUE FUND**

A European Regional Development Fund (ERDF) grant was confirmed in January 2021 subject to contract, which was finalised in November 2021. The maximum amount payable is £665,638 comprising £493,394 capital and £172,244 revenue grant.

The grant was awarded to Phoenix to develop dedicated spaces and a programme to support digital creatives, specifically film makers and digital artists in Leicester and Leicestershire. The aim of the programme is to promote business growth, productivity and resilience and encourage new start-ups.



**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**12. MOVEMENTS IN RESTRICTED FUNDS (Charity and Group) – Continued**

The grant was 50% matched funded by Phoenix revenue expenditure and Phoenix 2020 capital expenditure giving a total project value of £1,331,276. The grant was accounted for as two restricted funds to cover the capital and revenue parts. The grant started on 1 August 2020 and it had an activity end date of 30<sup>th</sup> June 2023. Claims were made quarterly against matched income, activity and output reports. The final claim was made in September 2023 and was in review at the time these accounts were prepared.

The capital grant co-funded 3 new spaces and associated infrastructure to support enterprises including: the Learning Suite; the Co-working Space and the Exhibition and Gallery Space. The Learning Suite is equipped with video conferencing, lap-tops and furniture and is a flexible space for mentoring, industry events and training. The Co-working space is equipped with computer and filmmaking equipment and furniture and is used as a space where delegates can develop film and digital creative media in a well- equipped and supported environment. The Gallery is a high quality environment for the exhibition of a range of digital media content and is equipped with a media server, video screens, projectors and immersive technologies.

The Learning Suite and Co-working space were brought into use in April 2022 and the Gallery followed in January 2023.

The revenue grant co-funded a business support programme called the Real Initiative including staffing, business support contractors, event costs and a contribution to overheads. Project managers were appointed in October 2021 and the business support programme started in April 2022. The programme had 4 business support strands designed exclusively for micro-businesses and sole traders specialising in film and digital arts, including one to inspire young people into a career in the sector. By May 2023 the project had supported over 150 businesses and individuals using the dedicated spaces created by the capital project. The final evaluation by specialist consultants gives a strong endorsement of the programme and demonstrates a significant impact on the local economy in just 12 months.

The final grant claim was completed in October 2023.

**13. DESIGNATED FUNDS (Charity and Group)**

|                                  | At 1 April<br>2023<br>£ | Net<br>Incoming/<br>Outgoing<br>Resources<br>£ | Designations<br>in year<br>£ | At 31<br>March 2024<br>£ |
|----------------------------------|-------------------------|--|------------------------------|--------------------------|
| Creative and Development Reserve | 538,788                 | 1,993  | (540,418)                    | 363                      |
| Premises Maintenance Reserve     | 30,852                  | (25,833)                                       | -                            | 5,019                    |
|                                  | <u>569,640</u>          | <u>(23,840)</u>                                | <u>(540,418)</u>             | <u>5,382</u>             |

**CREATIVE AND DEVELOPMENT RESERVE**

The Trustees previously approved this designated fund to support the capital project. The aim is to have a designated development reserve that enables the consolidation of miscellaneous donations and grant contributions towards the Charity's development without over restricting purpose.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**13. DESIGNATED FUNDS (Charity and Group) - Continued**

The fund was used to reserve unrestricted donations and grants given to help fund the capital project. Over 300 individuals and small businesses made donations towards the project, mostly through the Be Part of It fundraising campaign.

All individual and small business contributors were recognised in a roll of donors shown before film events. Donors are permanently acknowledged on cinema seat plaques, at the main entrance and at the entrances to the 2 new screens depending on the level of donation received. This fund is expected to be closed during 2024/25.

**PREMISES MAINTENANCE RESERVE**

The fund was established to reserve a regular monthly amount to build up a reserve to cover more significant premises maintenance that might be needed in the future. The reserve is usually funded by monthly charges to the profit and loss account throughout the year. The monthly charges were suspended in 2022/23 during the building project and in the light of the balance at 31 March 2022.

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                                | General<br>Fund<br>£ | Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | CHARITY<br>Total<br>£ |
|--------------------------------|----------------------|--------------------------|--------------------------|-----------------------|
| Fixed assets                   | 493,147              | -                        | 7,851,432                | 8,344,579             |
| Cash at bank and in hand       | 264,196              | 5,382                    | 3,524                    | 273,102               |
| Other net (liabilities)/assets | (149,557)            | -                        | (33,750)                 | (183,307)             |
|                                | <u>607,786</u>       | <u>5,382</u>             | <u>7,821,206</u>         | <u>8,434,374</u>      |
|                                | General<br>Fund<br>£ | Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | GROUP<br>Total<br>£   |
| Fixed assets                   | 494,529              | -                        | 7,851,432                | 8,345,961             |
| Cash at bank and in hand       | 351,016              | 5,382                    | 3,524                    | 359,922               |
| Other net assets/(liabilities) | (236,373)            | -                        | (33,750)                 | (270,123)             |
|                                | <u>609,172</u>       | <u>5,382</u>             | <u>7,821,206</u>         | <u>8,435,760</u>      |

**15. CAPITAL**

Leicester Arts Centre Limited is limited by guarantee and accordingly does not have a share capital. The maximum liability of each member is £1.00.

**16. CONTINGENT LIABILITIES**

During the year ended 31 March 2010 the company received a Capital Grant from De Montfort University (DMU). Under the terms of the grant the company must repay the DMU part of the grant received in the following circumstances, referred to as repayment events :-

- The company fails materially to comply with the terms of the grant offer letter
- The company does not perform its obligations set out in the grant offer letter
- The company sells, disposes of, surrenders or transfers the lease with Leicester City Council for the premises it is located in

If a repayment event occurs within the first 15 years of the lease term the amount repayable to DMU is £350,000. If any such event occurs after that time the amount of repayment is reduced pro-rata over the remaining term of the lease.



**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**16. CONTINGENT LIABILITIES - Continued**

The charity had previously been receiving a grant from Leicester City Council (LCC) in advance. This had been accounted for previously within deferred income on the basis it would need to be repaid if activities did not continue. In FY 2015/16 LCC confirmed that the advanced amount would only be repayable in the unlikely event the charity surrendered the lease for the premises it is located in, therefore the amount of £52,550 was released from deferred income in that year.

These are contingent liabilities and have not been provided for in the Statement of Financial Activities or the Balance Sheet

**17. GOING CONCERN**

Following completion of the capital expansion project during the financial year, management focus centred on stabilising the product and delivery, and driving attendance, income and profitability. Significant progress has been made, with trading income rising to above pre-pandemic levels for the first time. Trading growth continues to be a key focus. There are increased initiatives to differentiate Phoenix from our competitors, broaden the organisation's reach and raise Phoenix's profile within the business communities in order to further drive commercial trading revenue and new avenues for funding are being sought.

Nonetheless, the charity is encountering a number of issues that are largely outside of its control and that negatively affect its financial projections to a material degree. They include:

- A slower recovery in cinema audiences after the pandemic at Phoenix and across the UK.
- An 18-month project to replace the cladding on the venue and building works in the surrounding area that could have an impact on visitor numbers and earned income, and which will require management resource.
- Ongoing uncertainty in local authority funding that will not be clarified by the time these accounts are filed.

Cinema audiences - Phoenix (and UK) cinema audiences have recovered post-pandemic more slowly than anticipated, however are now growing steadily. At the date of signing, audiences have recently passed pre-pandemic levels for the first time, although are significantly below the original projections for the capital expansion project. The charity will nonetheless continue to adjust to demand and reprioritise other types of earned income and management focus. The expansion is a platform for growth and development of earned income.

Cladding replacement project - This began in January 2024 and is scheduled to finish in September 2025. The work is necessary for fire safety and is being undertaken by the landlord. Phoenix worked to influence the programme and method, the temporary building and wayfinding signage, and the design of the temporary customer access to the venue to mitigate its potential impact. There are also significant and unexpected building works in the surrounding area. There is an impact on customer experience and perception of our business, although consumer behaviour is uncertain and difficult to predict with any degree of confidence. At a time when we are trying to increase trading income through business hires, the largest impact from the cladding is the noise disruption in our meeting rooms, which is making it difficult to confidently hire out the spaces during construction periods.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**17. GOING CONCERN - Continued**

Local authority funding - This contributes directly to the general operating costs of the charity and have been maintained for 2024/25 despite earlier indications that it could be withdrawn. However, the trustees once again recognise a significant likelihood that the funding will be reduced or discontinued in 2025/26. This will be difficult to mitigate, in the short term at least, within the existing operating model by cost reductions, trading growth and/or alternative sources of income, given the significance of the funding and the collective impact of the other issues above. New avenues for funding are being sought and Phoenix remains in cooperative discussions regarding any new national funding streams that may become available. At the time these accounts were filed, a formal decision on the local authority revenue grant for 2025/26 and interventions that could mitigate its reduction had not been taken.

Therefore a material uncertainty exists in our financial projections. If the decisions are unfavourable and the impact of the cladding project on consumer behaviour and the ability to hire and use spaces without disruption is high, the charity's financial forecast and operations will have to change radically. In this scenario, management time would refocus to reshape the charity to meet revised financial forecasts.

As a result of these matters, there is a material uncertainty that may cast significant doubt upon the group's ability to continue as a going concern and therefore whether the group will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

Although it is not certain that the efforts to mitigate the risks will be successful, management has determined that the actions that it is taking are sufficient to mitigate the uncertainty and has therefore prepared the financial reporting on a going concern basis.

**18. ANALYSIS OF CHANGES IN NET DEBT**

|                                  | At 1 April<br>2023 | Cash flows       | CHARITY<br>Other<br>non-cash<br>changes | 31 March<br>2024 |
|----------------------------------|--------------------|------------------|---|------------------|
|                                  | £                  | £                | £                                       | £                |
| <b>Cash and cash equivalents</b> |                    |                  |   |                  |
| Cash                             | 486,688            | (213,586)        | -                                       | 273,102          |
|                                  | 486,688            | (213,586)        | -                                       | 273,102          |
| <b>Borrowings</b>                |                    |                  |   |                  |
| Debt due within one year         | (50,000)           | 4,166            | -                                       | (45,834)         |
| Debt due after one year          | (112,500)          | 41,667           | -                                       | (70,833)         |
|                                  | (162,500)          | 45,833           | -                                       | (116,667)        |
| <b>Total net debt</b>            | <b>324,188</b>     | <b>(167,753)</b> | <b>-</b>                                | <b>156,435</b>   |

LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

18. ANALYSIS OF CHANGES IN NET DEBT - Continued

|                                  | At 1 April<br>2023 | Cash flows      | GROUP<br>Other<br>non-cash<br>changes | 31 March<br>2024 |
|----------------------------------|--------------------|-----------------|---------------------------------------|------------------|
|                                  | £                  | £               | £                                     | £                |
| <b>Cash and cash equivalents</b> |                    |                 |                                       |                  |
| Cash                             | 505,240            | (145,318)       | -                                     | 359,922          |
|                                  | 505,240            | (145,318)       | -                                     | 359,922          |
| <b>Borrowings</b>                |                    |                 |                                       |                  |
| Debt due within one year         | (50,000)           | 4,166           | -                                     | (45,834)         |
| Debt due after one year          | (112,500)          | 41,667          | -                                     | (70,833)         |
|                                  | (162,500)          | 45,833          | -                                     | (116,667)        |
| <b>Total net debt</b>            | <u>342,740</u>     | <u>(99,485)</u> | <u>-</u>                              | <u>243,255</u>   |

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**

**ANALYSIS NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**ANALYSIS OF INCOME (CHARITY)**

Centre income is derived from the following sources:

|  | <b>Unrestricted<br/>31 March<br/>2024<br/>£</b> | <b>Restricted<br/>31 March<br/>2024<br/>£</b> | <b>Total<br/>31 March<br/>2024<br/>£</b> | <b>Total<br/>31 March<br/>2023<br/>£</b> |
|--|---|---|--|--|
| <i>Incoming resources from generated funds</i>       |   |   |  |  |
| Grants received/receivable                           |   |   |  |  |
| <b>Revenue Grants</b>                                |   |   |  |  |
| Leicester City Council                               | 194,000   | -   | 194,000                                  | 215,370                                  |
| De Montfort University Digital Growth                | 10,000  | -   | 10,000                                   | 10,000                                   |
| ERDF Revenue Fund                                    | -   | 94,832  | 94,832                                   | -  |
| Arts Council England Careful Networks                | -   | -   | -  | 3,223                                    |
| Arts Council NPO                                     | -   | 81,945  | 81,945                                   | 81,945                                   |
| BFI Audience Fund                                    | -   | 121,250                                       | 121,250                                  | 80,000                                   |
| BFI  | -   | -   | -  | 1,200                                    |
| <b>Capital Grants</b>                                |   |   |  |  |
| ERDF   | -   | 91,649  | 91,649                                   | 476,127                                  |
| Leicester City Council                               | -   | -   | -  | 695,691                                  |
| Arts Council England                                 | -   | 200,000                                       | 200,000                                  | 3,136,530                                |
| <b>Total grants</b>                                  | <b>204,000</b>                                  | <b>589,676</b>                                | <b>793,676</b>                           | <b>4,700,086</b>                         |
| Intangible income – rent free use of premises        | 110,500   | -   | 110,500                                  | 110,500                                  |
| <i>Incoming resources from charitable activities</i> |   |   |  |  |
| Box Office   | 536,340   | -   | 536,340                                  | 277,713                                  |
| Membership schemes                                   | 49,349  | -   | 49,349                                   | 29,133                                   |
| Education events                                     | 29,001  | -   | 29,001                                   | 19,371                                   |
| <b>Total box office</b>                              | <b>614,690</b>                                  | <b>-</b>                                      | <b>614,690</b>                           | <b>326,217</b>                           |
| <i>Other income from operating activities</i>        |   |   |  |  |
| Screen advertising                                   | 26,968  | -   | 26,968                                   | 14,649                                   |
| Management Service Level Agreements                  | 51,686  | -   | 51,686                                   | 43,738                                   |
| Donations  | 2,201   | -   | 2,201                                    | 3,875                                    |
| Sundry income  | 14,803  | -   | 14,803                                   | 7,004                                    |
| <b>Total other</b>                                   | <b>95,658</b>                                   | <b>-</b>                                      | <b>95,658</b>                            | <b>69,266</b>                            |
| <i>Investment income</i>                             |   |   |  |  |
| Bank interest  | 1,397   | -   | 1,397                                    | 797                                      |
| Gift aid from subsidiary                             | 187,101   | -   | 187,101                                  | 48,975                                   |
| <b>Total investment income</b>                       | <b>188,498</b>                                  | <b>-</b>                                      | <b>188,498</b>                           | <b>49,772</b>                            |
| <b>Total incoming resources</b>                      | <b>1,213,346</b>                                | <b>589,676</b>                                | <b>1,803,022</b>                         | <b>5,255,841</b>                         |

***This page does not form part of the statutory financial statements***

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**

**ANALYSIS NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**ANALYSIS OF SUPPLIES AND SERVICE COSTS (CHARITY)**

|  | Unrestricted<br>31 March<br>2024<br>£ | Restricted<br>31 March<br>2024<br>£ | Total<br>31 March<br>2024<br>£ | Total<br>31 March<br>2023<br>£ |
|--|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Travel and subsistence                                       | 2,950                                 | -                                   | 2,950                          | 3,033                          |
| Training   | 2,757                                 | -                                   | 2,757                          | 4,288                          |
| Telephone & broadband  | 13,614                                | -                                   | 13,614                         | 11,801                         |
| Office equipment, hire of equipment and<br>premises expenses | 4,336                                 | -                                   | 4,336                          | 2,209                          |
| IT Costs   | 58,223                                | -                                   | 58,223                         | 46,547                         |
| Postage and stationery                                       | 1,172                                 | -                                   | 1,172                          | 381                            |
| Bank and PDQ charges   | 18,804                                | -                                   | 18,804                         | 11,402                         |
| Hire purchase & loan interest                                | -                                     | 9,089                               | 9,089                          | 11,714                         |
| Licences, memberships and running costs                      | 6,578                                 | -                                   | 6,578                          | 11,530                         |
| Insurance  | 20,343                                | -                                   | 20,343                         | 19,555                         |
| Accountancy  | 56,117                                | -                                   | 56,117                         | 63,048                         |
| Legal and Professional fees                                  | 61,518                                | -                                   | 61,518                         | 7,908                          |
|  | <u>246,412</u>                        | <u>9,089</u>                        | <u>255,501</u>                 | <u>193,416</u>                 |

**ANALYSIS OF GOVERNANCE COSTS (CHARITY)**

|                            | Unrestricted<br>31 March<br>2024<br>£ | Restricted<br>31 March<br>2024<br>£ | Total<br>31 March<br>2024<br>£ | Total<br>31 March<br>2023<br>£ |
|----------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Audit and accountancy fees | 4,583                                 | -                                   | 4,583                          | 4,511                          |
| Legal and consultancy      | -                                     | -                                   | -                              | -                              |
|                            | <u>4,583</u>                          | <u>-</u>                            | <u>4,583</u>                   | <u>4,511</u>                   |

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